



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

A-570-049

Ammonium Sulfate from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The U.S. Department of Commerce ("the Department") preliminarily determines that ammonium sulfate from the People's Republic of China ("PRC") is, or is likely to be, sold in the United States at less than fair value ("LTFV"). The period of investigation ("POI") is October 1, 2015, through March 31, 2016. Interested parties are invited to comment on this preliminary determination.

DATES: Effective (Insert date of publication in the *Federal Register*.)

FOR FURTHER INFORMATION CONTACT: Maliha Khan or Thomas Martin, AD/CVD

Operations, Office IV, Enforcement & Compliance, International Trade Administration,

Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone:

(202) 482-0892 or (202) 482-3936 respectively.

SUPPLEMENTARY INFORMATION:

On May 25, 2016, PCI Nitrogen, LLC, filed a petition with the Department of Commerce alleging that an industry in the United States is materially injured or threatened with material injury by reason of LTFV imports of certain ammonium sulfate from the PRC. The Department published the notice of initiation of this investigation on June 22, 2016.<sup>1</sup> For a complete

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<sup>1</sup> See *Ammonium Sulfate from the People's Republic of China: Initiation of Less-Than-Fair-Value Investigation*, 81 FR 40665 (June 22, 2016) ("Initiation Notice").

description of the events that followed the initiation of this investigation, *see* Preliminary Decision Memorandum hereby adopted by this notice.<sup>2</sup> The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System ("ACCESS"). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit located at Room B8024 of the Department's main building. In addition, a complete version of the Preliminary Decision Memorandum can be found at <http://enforcement.trade.gov/frn>. The signed Preliminary Decision Memorandum and electronic version of Preliminary Decision Memorandum are identical in content.

#### Period of Investigation

The POI is October 1, 2015, through March 31, 2016. This period corresponds to the two most recent fiscal quarters prior to the month of the filing of the petition, May 2016. *See* 19 CFR 351.204(b)(1).

#### Scope of the Investigation

The product covered by this investigation is ammonium sulfate from the PRC. For a complete description of the scope of this investigation, *see* Appendix II.

In accordance with the *Preamble* to the Department's regulations,<sup>3</sup> and as stated in the *Initiation Notice*, the Department set aside a period for interested parties to raise issues regarding the scope. The Department did not receive any comments in response.

#### Discussion of Methodology

The Department is conducting this investigation in accordance with section 731 of the Act. For purposes of this preliminary LTFV determination, the Department continues to treat the

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<sup>2</sup> *See* Decision Memorandum for the Preliminary Determination of the Less Than Fair Value Investigation of Ammonium Sulfate from the People's Republic of China ("Preliminary Decision Memorandum"), dated concurrently with this notice. *See also* Appendix I.

<sup>3</sup> *See Antidumping Duties; Countervailing Duties*, 62 FR 27296, 27323 (May 19, 1997) ("*Preamble*").

PRC as a non-market economy country within the meaning of section 771(18) of the Act. Because none of the potential respondents in this investigation submitted separate rate applications, they are considered to be part of the PRC-wide entity. Further, the PRC-wide entity did not provide necessary quantity-and-value (“Q&V”) data the Department requested. Therefore, in making this preliminary determination and in accordance with sections 776(a) and (b) of the Act, because respondents failed to cooperate by not acting to the best of their ability to respond to the Department’s requests for information, we are drawing an adverse inference in selecting a rate from among the facts otherwise available (“AFA”) in determining the dumping margin for the PRC-wide entity. For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

#### Preliminary Determination

In selecting an AFA rate, the Department selects a rate that is sufficiently adverse to ensure that the uncooperative party does not obtain a more favorable result by failing to cooperate than if it had fully cooperated. In an investigation, the Department’s practice with respect to the assignment of an AFA rate is to select the higher of (1) the highest dumping margin alleged in the petition or (2) the highest calculated dumping margin of any respondent in the investigation.<sup>4</sup> Therefore, as AFA, the Department preliminarily assigns the highest available petition margin of 493.46 percent as the rate applicable to the PRC-wide entity.

#### Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, the Department will instruct U.S. Customs and Border Protection (“CBP”) to suspend liquidation of all entries of ammonium sulfate from the PRC, as described in the “Scope of the Investigation” section, entered, or

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<sup>4</sup> *See, e.g., Certain Uncoated Paper From Indonesia: Final Determination of Sales at Less Than Fair Value*, 81 FR 3101 (January 20, 2016).

withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*.

We will also instruct CBP, pursuant to section 733(d)(1)(B) of the Act and 19 CFR 351.205(d), to require for all PRC exporters/producers of merchandise under consideration, and all non-PRC exporters of merchandise under consideration, the cash deposit rate established for the PRC-wide entity, 493.46 percent.<sup>5</sup> The suspension of liquidation will remain in effect until further notice.

#### Disclosure and Public Comment

The Department ordinarily discloses the calculations performed in the investigation to interested parties in accordance with 19 CFR 351.224(b), however, in this proceeding there are no calculations to disclose. Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the date on which the final verification report is issued in this proceeding and rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.<sup>6</sup> Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) A statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S.

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<sup>5</sup> See *Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations*, 76 FR 61042, 64137 (October 3, 2011).

<sup>6</sup> See 19 CFR 351.309. See also 19 CFR 351.303 (for general filing requirements).

Department of Commerce, filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety by the Department's electronic records system, ACCESS, by 5:00 p.m. Eastern Time, within 30 days after the date of publication of this notice.<sup>7</sup> Hearing requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues parties intend to present at the hearing. If a request for a hearing is made, the Department intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230, at a time and location to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

#### U.S. International Trade Commission Notification

In accordance with section 733(f) of the Act, we will notify the International Trade Commission (“ITC”) of our affirmative preliminary determination of sales at LTFV. If our final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after our final determination whether these imports are materially injuring, or threaten material injury to, the U.S. industry.

This determination is issued and published in accordance with sections 733(f) and 777(i)(I) of the Act, and 19 CFR 351.205(c).

Dated: November 1, 2016.

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Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

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<sup>7</sup> See 19 CFR 351.310(c).

## Appendix I -- List of Topics Discussed in the Preliminary Decision Memorandum

1. Summary
2. Background
3. Period of Investigation
4. Scope Comments
5. Scope of the Investigation
6. Selection of Respondents
7. Discussion of the Methodology
8. Adjustments to cash deposit rates for export subsidies in companion countervailing duty investigation
9. Public Comment
10. U.S. International Trade Commission Notification
11. Conclusion

## Appendix II -- Scope of the Investigation

The merchandise covered by this investigation is ammonium sulfate in all physical forms, with or without additives such as anti-caking agents. Ammonium sulfate, which may also be spelled as ammonium sulphate, has the chemical formula  $(\text{NH}_4)_2\text{SO}_4$ .

The scope includes ammonium sulfate that is combined with other products, including by, for example, blending (*i.e.*, mixing granules of ammonium sulfate with granules of one or more other products), compounding (*i.e.*, when ammonium sulfate is compacted with one or more other products under high pressure), or granulating (incorporating multiple products into granules through, *e.g.*, a slurry process). For such combined products, only the ammonium sulfate component is covered by the scope of this investigation.

Ammonium sulfate that has been combined with other products is included within the scope regardless of whether the combining occurs in countries other than China.

Ammonium sulfate that is otherwise subject to this investigation is not excluded when commingled (*i.e.*, mixed or combined) with ammonium sulfate from sources not subject to this investigation. Only the subject component of such commingled products is covered by the scope of this investigation.

The Chemical Abstracts Service (CAS) registry number for ammonium sulfate is 7783-20-2.

The merchandise covered by this investigation is currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheading 3102.21.0000. Although this HTSUS subheading and CAS registry number are provided for convenience and customs purposes, the written description of the scope of the investigation is dispositive.

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